

## INTERAGENCY ADVISORY GROUP

UNITED STATES OF AMERICA  
OFFICE OF PERSONNEL MANAGEMENT  
WASHINGTON, D.C. 20415

## Secretariat

Room 1304—1900 E St., N.W.  
Code 101, Ext. 26266 or  
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## OGC HAS REVIEWED.

May 24, 1979

TO: Directors of Personnel  
Compensation Directors

FROM: Raymond Jacobson *[Signature]*  
Assistant Director  
Office of Policy Analysis

SUBJECT: Briefing on Proposed Compensation Reform Legislation

- Detailed briefing on the proposed compensation reform legislation that the President will shortly send to the Congress.

TIME: Monday, June 4, 1979, at 1:30 p.m.

PLACE: OPM Auditorium, Ground Floor  
1900 E Street, N.W., Washington, D.C.


SPEAKERS: Staff, Compensation Operations

In order that we can reach the widest possible audience among personnel and compensation people here in the Washington area, we ask that you invite other appropriate members of your staff and personnel directors of any component agencies to attend this briefing as well.

There will be opportunity for questions from the floor.


STATOTHR

The Administration's proposed "Classification and Compensation Act of 1979", according to the most recent draft submitted by OMB, would vest in the President authority to "establish, modify, consolidate, or abolish Federal premium pay and allowances provisions, except those relating to employment in foreign areas". In practice, he undoubtedly would delegate this authority. Unless CIA is excluded from the proposed



and modification by the President's delegate. If the authority would be delegated to the DCI, we return to the situation as it existed prior to the proposed Act.

It would seem to be an unnecessary farce to take away some of the DCI's authority merely to delegate it back to him. If delegated to someone else, it would confer on that person access to sensitive intelligence information and files in conflict with the DCI's statutory duty concerning the protection of intelligence sources and methods. It would also deprive the DCI of the flexibility required for the effective conduct of the CIA's foreign intelligence mission.



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[REDACTED]

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The Act purports to give to the President authority to do certain things which he already has the authority to do by executive order. It would appear that he has

[REDACTED]

The proposed Act may be counterproductive in eroding the DCI's control over Agency pay and allowances.

By placing the Agency on the same basis as other federal employees, the Agency's rule concerning the eight hours donation of overtime for GS-12's and above will be overturned, thus increasing the taxpayer's burden. -

The erosion of the DCI's control over Agency pay and allowances, as required by the Act, would result in the

[REDACTED]

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The Act purports to give to the President authority to <sup>do</sup> certain things (namely to control ~~the~~ overtime pay and allowances of Agency personnel) which he already has the authority to do by executive order. In fact, it would appear that he ~~has~~ has the authority to regulate CIA pay and allowances, both at home and abroad. The proposed Act, therefore, would shift that authority from the President to Congress. Moreover, it <sup>will</sup> takes away the President's authority with respect to "foreign areas". While appearing to confer authority on the President, it actually restricts the same. By further amendment at some time in the future, the Congress may arrogate to itself complete authority to regulate CIA pay and allowances without regard to Presidential priorities or the exigencies of the Agency's unique mission.

STATOTHR

The proposed Act, by eroding the DCI's <sup>current</sup> control over Agency pay and allowances, may be expensively counter-productive and result in the Agency being placed on the same basis as other federal agencies with respect to overtime pay [REDACTED]. This would eliminate the Agency's flexibility of administration and curtail the current practice of personnel donating <sup>frequent but irregular</sup> overtime required by the <sup>special operational and security</sup> nature of intelligence operations. The global cost could be prohibitive compared to its relative present cost effectiveness. As for excluding from the application of the Act pay and allowances related to employment in foreign areas, this could lead to an <sup>extra</sup> administrative burden of having one set of regulations governing domestic personnel and another set of regulations governing overseas personnel as a

means of retaining some flexibility in adapting overseas personnel policies to meet the continually changing needs of operational requirements.

The exclusion from the Act of premium pay and allowances "relating to employment in foreign areas"

Direct memo of  
understanding to CG

att [REDACTED]  
Chief Gen Lane Dir.

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Mr. Harry E. Fitzwater (PERSONAL)  
Director of Personnel  
Central Intelligence Agency  
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